



Department of Justice

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COMPANY AGREES TO PLEAD GUILTY AND PAY \$28.5 MILLION FINE FOR PARTICIPATING IN POLYESTER STAPLE CARTEL

Former U.S. Executive Also Agrees To Plead Guilty And Serve Jail Time

Washington, D.C.-- A Luxembourg-based manufacturer of polyester staple and its former U.S. director of textile staples today agreed to plead guilty for participating in a conspiracy to fix prices and allocate customers in the polyester staple industry, the Department of Justice announced. Polyester staple is a petroleum-derived fiber used to make products such as clothing, table linens, and upholsteries.

According to separate charges filed today in U.S. District Court in Charlotte, Arteva Specialties, S.a.r.l., d/b/a KoSa, a Luxembourg company with its principal place of business in Charlotte, and its former director of textile staples, Troy F. Stanley, Sr., a U.S. citizen and resident of Forest City, North Carolina, conspired with unnamed co-conspirators to suppress and eliminate competition in the North American polyester staple industry from at least September 1999 through January 2001.

Pursuant to their plea agreements, KoSa has agreed to plead guilty and to pay a \$28.5 million criminal fine, while Stanley also has agreed to plead guilty, to pay a \$20,000 criminal fine, and to serve eight months jail time, all subject to court approval.

"Today's cases reflect the Antitrust Division's resolve to prosecute companies and executives engaged in cartels that harm American consumers," said Charles A. James, Assistant Attorney General in charge of the Department's Antitrust Division.

KoSa and Stanley carried out the conspiracy with unnamed co-conspirators by participating in meetings and conversations where prices and customers were discussed and agreements reached; selling polyester staple at the agreed-upon prices and to the agreed-upon customers; monitoring and enforcing adherence to the agreements; and issuing price announcements and quotations in accordance with their agreements.

Today's cases are the second and third to be brought in the polyester staple industry. On September 13, 2002, Robert Bradley Dutton formerly of Nan Ya Plastics Corporation was indicted for conspiring to fix prices and allocate customers in the polyester staple industry. He is awaiting trial.

KoSa and Stanley are charged with violating Section One of the Sherman Act, which carries a maximum penalty of a \$10 million fine for corporations and a maximum penalty of three years in prison and a fine of \$350,000 for individuals. The maximum fines may be increased to twice the gain derived from the crime or twice the loss suffered by the victims of the crime, if either of those amounts exceeds the statutory maximum fine. At sentencing, the court will determine the appropriate sentence to be imposed under the U.S. Sentencing Guidelines and whether to accept the plea agreements.

The ongoing investigation is being conducted by the Antitrust Division's Dallas Field Office and the Federal Bureau of Investigation in Dallas.

Anyone with information concerning price fixing in the polyester staple industry should contact the Antitrust Division's Dallas Office at (214) 880-9401, or the FBI's Dallas Office at (214) 720-2200.

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